Approved For Release 2007/05/21: CIA-RDP88-01070R000100390003-0

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 656-4068

FOR

PUBLIC AFFAIRS STAFF

PROGRAM Eyewitness News STATION WDVM TV

DATE

October 11, 1982 6:00 PM

Washington, DC CITY

SUBJECT

Wade Jolliff

MAUREEN BUNYAN: Nearly two years ago a former high ranking CIA official was indicted on charges of impersonating a CIA official and fraud. It was all part of a bizarre scheme in which Wade Jolliff allegedly bilked two businessmen out of \$100,000 on the pretense of funding a secret espionage operation. Now the charges have been dropped by federal prosecutors and Jolliff claims it was no pretense.

Eyewitness News correspondent Gary Reals has the story.

GARY REALS: Among FBI agents, Wade Jolliff came to be known was the spy who wouldn't quit. In 1982, Jolliff retired or was terminated from the CIA where, as a GS-16, he says he was in charge of electronics intelligence. Two years later, Jolliff became director of purchasing at the University of Maryland Hospital in Baltimore. It was in that position that he allegedly devised Operation Blue Hawk.

In December 1980, Wade Jolliff was indicted on charges of impersonating a CIA official and mail fraud. Jolliff allegedly conned Baltimore businessman B. Dixon Evander and another business person in Louisiana out of \$101,000, money to be used to help fund Operation Blue Hawk. At the time, federal authorities claimed the project was all a figment of Wade Jolliff's imagination, a ruse designed to con businessmen. All along, Jolliff claimed he was innocent, and last Friday the charges against him were dropped.

Was there an Operation Blue Hawk?

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WADE JOLLIFF: Yes, there was. It was begun in 1971.

REALS: Before you left CIA?

JOLLIFF: Before I left the CIA. The operation was approved at the highest levels of the government. Intelligence in that period of time was relying to a great extent upon the technical intelligence state of from satellites and other sources like this. Nevertheless, it left many blank spots in the intelligence picture intent -- intentions, plans, strategic operations and things like that which not -- could not be gleaned from these other sources.

It was the objective of Blue Hawk to close some of these specific gaps, and of course, I can't go into the precise ones because it -- those remain classified. It did produce some significant information that was of use to the government.

REALS: Why would the CIA go to all of the trouble of having you indicted on criminal charges rather than just say no more Operation Blue Hawk? It's over.

JOLLIFF: I never -- I was never able, really, to determine that myself. I had, you know, a lot of suppositions and so forth on it, but they were just my suppositions. I don't have the answer to that.

HENRY WEIL: There, of course, was a great deal of classified information which the court, in its wisdom, found was relevant, that would have been admitted in evidence in this case, and that may have been a secondary reason for the dismissal of the charges. But I think the primary reason was, indeed, the fact that -- and that the government has indicated in its order of dismissal, that Mr. Jolliff -- it had became clear to the prosecutor that Mr. Jolliff should not be prosecuted further in connection with these charges. And I think that the only reasonable inference there would be that Mr. Jolliff's innocence became clear to the government after a point in time.

REALS: Wade Jolliff knows his story sounds far fetched but says the CIA does lots of far fetched things. Because today is a holiday, the CIA's Public Information Office was closed and we could get no response from it.

As for Wade Jolliff, one of the businessmen he got \$84,000 from has sued him and won. And now Jolliff says he might sue the CIA claiming he lost \$75,000 of his own money on Operation Blue Hawk.

Gary Reals, Eyewitness News.